

## Message Text

UNCLASSIFIED

PAGE 01 BRUSSE 04562 081825Z  
ACTION EUR-12

INFO OCT-01 AF-10 ARA-14 EA-12 IO-14 ISO-00 AID-05  
CEA-01 CIAE-00 COME-00 EB-08 FRB-01 INR-10 NEA-10  
NSAE-00 USIA-15 OPIC-06 SP-02 TRSE-00 LAB-04  
SIL-01 AGRE-00 OMB-01 SS-15 STR-07 EPAE-00 /149 W  
-----019873 081832Z /43

P 081820Z MAR 78  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC PRIORITY 5359  
INFO ALL EC CAPITALS  
AMEMBASSY BRASILIA  
AMEMBASSY BUCHAREST  
AMEMBASSY MADRID  
AMEMBASSY PRETORIA  
AMEMBASSY SEOUL  
AMEMBASSY TOKYO  
AMCONSUL CAPE TOWN  
USMISSION GENEVA

UNCLAS BRUSSELS 04562

USEEC

FOR EMBASSY CAPETOWN; PARIS ALSO FOR USOECD

E.O. 11652: N/A  
TAGS: EEC, EIND, ETRD  
SUBJ: EC FOREIGN MINISTERS COUNCIL, MARCH 7, 1978: STEEL

REF: (A) BRUSSELS 4362(NOTAL); (B) 77 BRUSSELS 18991  
(NOTAL); (C) 77 BRUSSELS 19129(NOTAL)

1. SUMMARY: EC COMMISSIONER DAVIGNON REPORTED TO THE  
MARCH 7 EC FOREIGN MINISTERS COUNCIL ON THE STATUS OF  
BILATERAL STEEL NEGOTIATIONS WITH THIRD COUNTRIES AND  
ON PROGRESS IN IMPLEMENTATION OF THE COMMUNITY INTERNAL  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 04562 081825Z

STEEL MARKET CRISIS MEASURES. NO DECISIONS WERE TAKEN  
BY THE COUNCIL, BUT THE FRG DID SERVE NOTICE OF ITS  
OPPOSITION TO EXTENSION OF THE CURRENT BASE PRICE SYSTEM  
FOR IMPORTS BEYOND MARCH 31. END SUMMARY.

2. THIRD COUNTRY NEGOTIATIONS:

ACCORDING TO A COMMISSION SPOKESMAN, DAVIGNON REPORTED ON THE OUTCOME OF THE COMMISSION'S NEGOTIATIONS WITH EFTA COUNTRIES (REF A). DAVIGNON ANNOUNCED THAT THE COMMISSION WILL EXPLAIN THE TERMS OF THOSE AGREEMENTS TO MEMBER STATES DURING THE COMING WEEK AND THAT IT WILL PROVIDE TECHNICAL ASSISTANCE TO MEMBER STATES ON SURVEILLANCE OF TRADE. COMMISSIONER EXPRESSED CONFIDENCE THAT NEGOTIATIONS WITH SOUTH AFRICA, JAPAN, AND SOUTH KOREA COULD BE CONCLUDED WITHIN THE NEXT TWO WEEKS, THOUGH HE WAS LESS PRECISE ABOUT NEGOTIATIONS WITH SPAIN. HE NOTED THAT NEGOTIATIONS WITH BRAZIL AND ROMANIA WOULD BEGIN THIS WEEK, AND HE WAS OPTIMISTIC THAT OTHER EAST EUROPEAN STATES WOULD SOON FOLLOW ROMANIA'S EXAMPLE IN AGREEING TO NEGOTIATE. ACCORDING TO THE SPOKESMAN, THIS VIEW WAS VIGOROUSLY QUESTIONED BY FRG MINISTER OF STATE KLAUS VON DOHNANYI, WHO EXPRESSED STRONG DOUBT THAT THE OTHER EAST EUROPEANS WOULD AGREE TO ENTER INTO TALKS WITH THE COMMUNITY. THE SPOKESMAN SAID VON DOHNANYI FURTHER INSISTED THAT THE FRG COULD NOT EASILY ACCEPT A PROLONGATION BEYOND MARCH 31 OF THE BASE PRICE SYSTEM AGREED BY THE COUNCIL IN DECEMBER (REF B).

### 3. INTERNAL MARKET:

WITH REFERENCE TO THE COMMUNITY'S INTERNAL CRISIS MEASURES (REF C), THE COMMISSION SPOKESMAN SAID DAVIGNON UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BRUSSE 04562 081825Z

INFORMED THE COUNCIL THAT THE CONSOLIDATION OF PRICES ACHIEVED IN JANUARY WAS MAINTAINED IN FEBRUARY. DAVIGNON SAID THAT ORDERS ARE INCREASING SLIGHTLY BUT WARNED THAT THERE ARE STILL DIFFICULTIES WHICH COULD LEAD TO SERIOUS PROBLEMS. HE REFERRED TO A RECENT SPATE OF SELLING AT PRICES 30 TO 35 PERCENT BELOW THE MINIMUM REFERENCE PRICE (SINGLING OUT IN PARTICULAR ITALIAN FIRMS SUCH AS BRESCIANI), AND HE INDICATED THAT THIS ACTIVITY WAS "NOT ACCEPTABLE". DAVIGNON DID NOT ASK THE COUNCIL TO TAKE A STAND ON THIS MATTER BUT SAID HE SIMPLY WANTED TO BRING THE PROBLEM TO MINISTERIAL ATTENTION.

4. THE COMMISSION SPOKESMAN SAID THAT VON DOHNANYI (SUPPORTED BY THE DUTCH) ASKED DAVIGNON WHETHER THE COMMISSION IS REALLY MAKING ANY PROGRESS TOWARD RESTRUCTURING THE EC STEEL INDUSTRY, AND EXPRESSED THE GERMAN VIEW THAT NO REAL PROGRESS IS IN FACT BEING MADE. THE SPOKESMAN SAID DAVIGNON DEFENDED THE COMMISSION'S ROLE AND INSISTED THAT INTERESTS OF BOTH PRODUCERS AND END-USERS ARE BEING STRICTLY TAKEN INTO ACCOUNT. UK MINISTER OF STATE FRANK JUDD CONTESTED THE GERMAN POSITION AT HIS OWN PRESS CONFERENCE AFTER THE MEETING, INSISTING

THAT THE CRISIS MEASURES SHOULD NOT BE RELAXED. HINTON

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STEEL, ECONOMIC AGREEMENTS, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BRUSSE04562  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780104-0983  
**Format:** TEL  
**From:** BRUSSELS USEEC  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780394/aaaadbvl.tel  
**Line Count:** 117  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** a6d397cb-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 BRUSSELS 4362, 77 BRUSSELS 18991  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 29 mar 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3409159  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC FOREIGN MINISTERS COUNCIL, MARCH 7, 1978: STEEL  
**TAGS:** EIND, ETRD, EEC  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/a6d397cb-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014